

Your savings and investments

Gold in the balance

BY CHRISTOPHER HILL

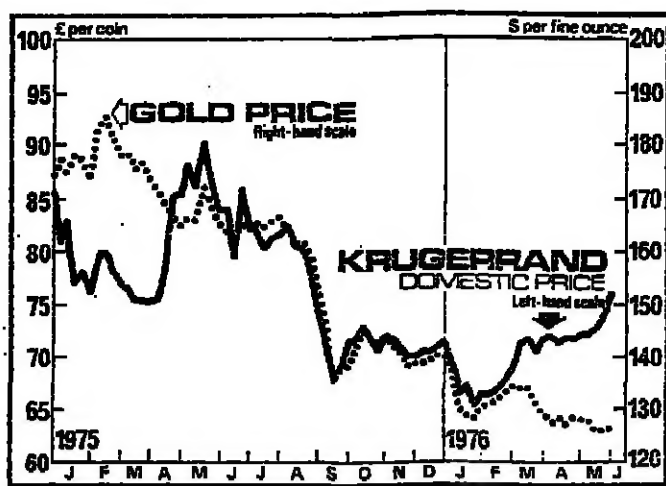
ONE CONSTANT feature of the investment scene is that whenever the experts seem to be generally agreed that there are unlikely to be any fireworks, something unexpected always seems to happen. Over the past fortnight it has been the rapid decline in sterling which has pushed the U.K. equity market down in sympathy and has brought to the surface the various species of "alternative" investments which frequently purport to be hedges against devaluation. Many people sought a gold on the last time—especially vintage claret—but, bloodstock—but, others seem to have more staying power.

The obvious and traditional hedge in times of currency unrest is gold bullion. Available in the U.K. in the form of sovereigns or kruggerands, the most obvious choice for the investor is the kruggerand, where the price for a 1-oz coin is directly comparable with the bullion price.

After a brief period of popularity in 1974 when the price per coin touched £100 at one time (coinciding with the all-time high for the gold price of \$195 1/2 in December), they were hit, progressively, by the recovery in equity markets, the comparative success of the U.S. Treasury in bursting the bubble with its first bullion sale and the action of the U.K. Government in prohibiting further imports of the coins.

The latter at first seemed to be good for kruggerands, raising the premium for domestic coins. But ultimately it helped to create an atmosphere of insecurity and the fall of the bullion price to a 1976 low of \$124 per oz in March did the rest. Even now it has not recovered much from that level—at around \$127 at the time of writing—but the kruggerand dealers who remain in business report that more business was seen this week than has been the case for a long time with the larger type of private investor again appearing on the scene.

This does not mean that the kruggerand dealers are very optimistic for they emphasise the weight of gold still overhanging the market and the tendency for the people who bought right at the top to get out if they see a partial recovery. But, although the IMF intends to auction 25m. oz. over a four year period (at six



weekly intervals in the first two years) it may be taken as encouraging that the first sale of 700,000 ozs. proved a sell-out at \$126. After all, if the purchasers thought the price was going to go lower they could have held off.

So, even if everything is not exactly wine and roses for gold there are at least grounds for hoping that a floor has been reached and that the kruggerand will continue to have a place in a broadly spread portfolio. But, I have emphasised in the past there are dangers in buying on a short-term basis in the hope of a short-term killing or in buying too small quantities. One really needs to buy at least 20 coins to be able to sell back to the larger dealers and a lot of the "one coin" merchants are no longer in the business. And remember—don't break the seal on the plastic bag.

One change in the scene from 1974, however, is that a number of alternatives to gold have been given publicity. One is platinum which has had a healthy rise recently and is readily available in small bars to the private investor. Silver is in a similar league and the advantage for the smaller investor is that he can physically buy the metals without having to either lay out very large amounts (the case with copper) or to take unacceptable risks in commodity futures.

The other alternatives are the rise of the offshore commodity funds which certainly seem to have done well for investors so far. Glancing down the list, the Surinvest Copper Trust's units have appreciated by around 40 per cent. since the trust was launched last December and even the new Silver Fund shows a respectable single-digit increase in percentage terms. This is one way for investors to hold the metals without actually taking physical possession or putting up large amounts.

Other commodity funds like those run by Save and Prosper and Commodity Analysis are more speculative in that they deal in commodity futures. But it is always difficult to know just how much the average investor monitors his investments until strident newspaper headlines finally convince him it is time to take action. Certainly two firms of stockbrokers who manage large amounts of private client money report that there have been very few agonised phone calls about devaluation hedges and that they are sticking resolutely to their shares with overseas earnings plus a percentage in the U.S. "We're not over-enthusiastic on commodity funds," said one. "They don't really have track records and we don't know the people who do the actual managing."

Shift to long-term

BY PAULINE CLARK

AS IF there were not enough uncertainties afflicting the stock market now, this month could see earnest discussion about the vagaries of the British climate.

Most of the major breweries, who did so well out of the long thirty summer of 1975, are due to report figures within the next four weeks. And since it is already apparent that performance was dull in the latest six months period, interest will naturally be more closely focused on prospects for the current half—including the summer weather.

However, for the breweries more than most other sectors, present stock market speculation with the short-term—although understandable in the current economic climate—is beginning to look misplaced.

There was an old adage that if the national wage packet was fat, the beer drinker would be off to the pub to enjoy it, and it was thin, he would be off to the pub to forget it.

But the past year has shown that beer drinkers are able to budget for hard times as frugally as the next man. Thirst got the better of them last summer but Christmas was a disappointing time for brewers of its competitors—was the and in January and February consumption was down at least 8 per cent. The hot Easter

brought a temporary aberration but that has not changed analysts' views that bar another hot summer, the fall in consumption this year will be between four and six per cent.

This has not gone unheeded on the stock market where yields on brewery shares are now exceptionally high averaging 7.22 per cent. lately compared with 6.33 for non-durable consumer goods as a whole.

However, this hardly takes account of the increasing weight being put on the longer-term prospects of breweries by analysts who see their fortunes more closely tied to wage trends than was previously realised. Even if breweries are upstaged by other sectors benefiting quickly from an industrial upturn in the autumn, some they feel are bound to profit from a subsequent wage recovery some time in 1977.

This is not to say that the figures shortly to be reported will slavishly mirror the current slump in spending. Bass Charrington recently produced half-time profits a fifth higher claiming a substantial gain in volume sales. The Runcorn development undoubtedly helped but a special factor—also likely to have an impact on several of its competitors—was the peculiar buoyancy of the larger market which accounts for 29 per cent. of Bass's total beer

sales. Most of its competitors however are burdened by some problem or other likely to dilute benefits from lager. Whitbread, in spite of its Heineken interest, is expected to produce only a 35 per cent. pre-tax rise in its full year figures after the first half. And due to caution about its old plant problems the yield on its shares at 63p is 7.2 per cent. compared with Bass's 6.7 per cent. while the p/e ratios are respectively 11.8 and 9.0.

Scottish and Newcastle, also due for preliminaries soon, is hounded by its 75 per cent. involvement in the increasingly competitive free trade market. And although it is battling hard with a new lager brand, pre-tax profits are expected to be up just one quarter after a 43 per cent. rise in the first half. Its yield and p/e are thus comparable with Whitbread.

Grand Metropolitan is slowly gaining favour with a projected 60 per cent. rise for its interim this month helped by reduced interest charges and rationalisation. But memories of 1974 still dog the shares which yield about 9 per cent.

Meanwhile, Guinness's interims could show a rise of some 51m. helped by Harp lager. But the poor beer market in Eire since the budget weighs down the shares to yield 7 per cent. where the p/e is 7.0. And among the least favoured currently on pure trading grounds is Allied Breweries where the shares are yielding over 8 per cent. on predictions of a 10 per cent. half-time fall this month after the Ansell's strike and because of exposure to the depressed wines and spirits sector.

But among the majors as a whole, it is probably at this level that a shift from the short-term to the long-term view is the life assurance remnant of security and aggression. C.H. most overdue.

Vanbrugh scores

ONE DOES not associate the Vanasse group to an Prudential Assurance Company established company, engulfing with over trumpet-blowing, a quarter of the unit-linked, but it looks as if the unit-linked single-premium market and a linked offshoot of the giant, fifth of the total single-premium Vanbrugh Life, has no such bond market in the first quarter of 1976. This puts it No. 1 in the field which seems years it has gone from being to like the combination of the life assurance remnant of security and aggression. C.H. most overdue.

Yields

A FREQUENT point of confusion for the average investor is the use made by the promoters of investment products of terms such as "grossed-up yields" and "net" yields. We have discussed in these columns the need for using simple language in describing all forms of investment, and this is particularly essential with the yield, probably the most important statistic of an investment.

The yield is simply a measure of the financial return on an investment. Since this depends very much on the tax position of investors, the return on an investment varies for different individuals and different classes of investor. Quoting a single value for the yield is therefore certain to be misleading unless the investor looks behind the figure quoted.

Most promoters take the simple way out and quote the gross yield assuming that no tax is payable at all. But this value applies to the widows and orphans, and individuals who select their portfolio solely on

gross yield could easily pick an inferior investment. The investor must use the net yield, as it applies to his tax position, in ascertaining which contract gives him the highest return, a point that we have made frequently on this page.

The promoters, however, cannot quote every possible net yield considering the number of tax permutations available, although I feel that they could give certain net yields for selected tax rates. What is essential is that the yield is quoted in such a way that comparison between investments can be made without using a computer. This can be difficult for investment media such as traditional with-profit endowment assurances where the value at maturity is free of all taxes.

The Commercial Union attempt to get around this problem in describing its latest life contract—The New Profitmaker

—by quoting a grossed-up yield. Such statistics are frequently quoted by building societies so that direct comparison can be made between the return on building society investment and a comparable alternative such as a bank deposit account, where tax is payable on the interest. But the figure is capable of misunderstanding—for instance the CU contract provides a grossed-up rate of 16 1/2 per cent. using a tax rate of 35 per cent.

The implication is that investors will get 16 1/2 per cent. from the policy—but this is not so. The estimated maturity value will provide a return of 10.7 per cent. which is free of tax. A bank deposit would have to pay interest at 16 1/2 per cent. to provide an investor paying 35 per cent. basic rate with the same after-tax return. This is the point of using a grossed-up rate. But with this CU contract a nil taxpayer will get only 10.7 per cent. return.

ERIC SHORT

Sales talk

LAST WEEK, an attack on the use of high pressure selling methods by some intermediaries in the insurance industry was made by no less a person than Mr. Stanley Clinton Davis, Under Secretary of State for Trade. In particular, he was highly critical of some methods used in selling life assurance policies, which often resulted in individuals being sold the wrong contract. He based his findings on the complaints received at the Department of Trade.

This must be a familiar story to certain readers, but my sympathies are not 100 per cent. with the consumer. At the final analysis he can always say "no". The bulk of the control must come from the insurance industry itself, both from the life companies and from the insurance brokers. The brokers' professional bodies have at last got together to draw up a set of standards and a system of controls for their members and Mr. Davis stated that he would

rather see an efficient system of self-regulation within the industry rather than one imposed by the Government. The life companies have taken a positive step towards reducing high pressure selling by introducing a new system of paying initial commission that will very much reduce the differential between that paid on short-term and long-term contracts. But such a move is only the first big step in avoiding high pressure sales and will not be fully effective unless all life companies abide by the scale.

Life companies should also take great care in selecting agents and brokers and be fully responsible for the actions of those persons. Most companies are reasonably selective in their choice but they could crack down much harder on intermediaries that let the public down.

ERIC SHORT

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That's a question that even the most expert commentators disagree about. Some favour North America, others the Far East. If they are not sure, what chance is there for the private investor?

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Buying and selling. Units can be bought at any time at the ruling offer price or cashed at any time at the ruling bid price. Prices and yields are published daily in leading newspapers. On 3rd June the offer price of Distribution Units was £6.30 and of Accumulation Units £1.25 and the estimated gross yield 12.50% p.a.

Management. The Managers are Midland Bank Group Unit Trust Managers Limited, a subsidiary of Midland Bank Limited and a member of the Unit Trust Association.

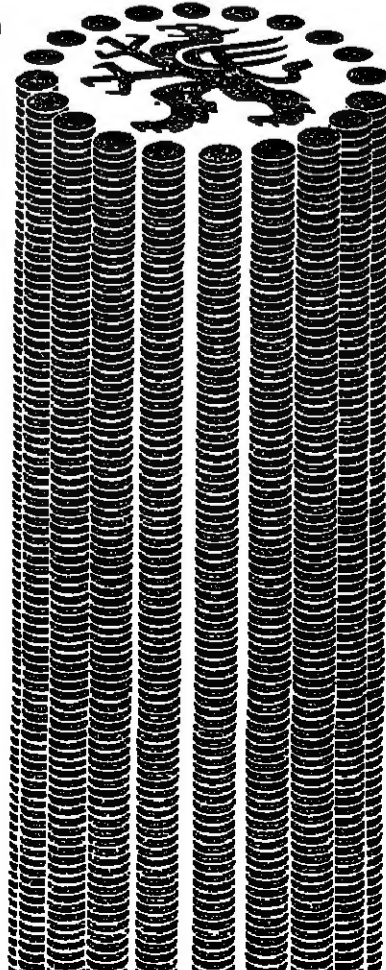
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Finance and the family

A judicial factor

BY OUR LEGAL STAFF

My wife, who is owed a substantial sum from her father's estate, was advised by the executor that the estate had been taken over by another firm of solicitors, as the previous firm was subjected to a judicial factor under the supervision of the Law Society of Scotland. The judicial factor last year advised her that there was no prospect of an early distribution. Does this mean that several years may elapse before a distribution, or that there may be none at all?

It may well be that it will be a considerable time before this matter is resolved. However, there eventually will be a full payment of the sums due to the estate. From what you write it appears that the original firm of solicitors have got into financial difficulties and there may even have been dishonest appropriation of client's monies. In such circumstances a judicial factor is appointed, and the firm's affairs are investigated under the auspices of the Law Society of Scotland. The society maintain a fund known as the guarantee fund to which all practising solicitors must contribute which is used to make up any shortfall of monies due to clients, in the event of any firm getting into difficulties.

However, as the firm's own assets must first be ascertained and used to settle with clients before any call can be made on the guarantee fund, clearly the process is going to take time. We suggest in the circumstances that you write directly to the Law Society of Scotland, 26/27, Drums Hough Gardens, Edinburgh, naming the firm concerned and they will give you details of the situation.

Home transfer to children

I own three houses, including the matrimonial home, of which two are let to tenants. It is likely that there will be divorce proceedings which may compel me to hand over the matrimonial home to my wife though she has contributed nothing to it. Would it be possible for me to transfer my properties to my children and, having done so, could the courts force me to regain ownership of the matrimonial home in order to house my wife?

Apart from the possibility of a considerable liability to Capital Transfer Tax the Court will be able to trace property which you transfer to your children if the transfer is not made for full value. Your proper course is to seek in the divorce proceedings to have the property transferred to the children as part of the maintenance provision for them.

If that is appropriate. This would probably be achieved by a settlement on trust for the children (possibly on accumulation trusts) with provision for such maintenance as you might be required to pay to your wife to be paid out of income. Your wife's share in the matrimonial home is not likely to be displaced by reason only of her not having contributed financially towards it.

Outside the Rent Acts

I want to invest in, and let, a London flat. How can I do so without the danger of my tenant applying for a rent reduction, or acquiring an unassailable security of tenure beyond the lease expiring date?

Unless you yourself occupy part of the flat there is no means of preventing a tenant who is an individual from obtaining the security of tenure accorded by the Rent Acts. A letting to a company, if carefully drafted, is capable of being outside the Rent Acts—so also is a contract giving a person a right only to share the flat—but in such a case it is essential that no part of the flat should be in the exclusive occupation of one of the sharers.

Power of appointment

I have a life interest in the funds comprised in my marriage settlement on protective trusts and, in default of appointment, the capital goes on my death to my daughter. The power of appointment can be exercised in favour of my daughter's issue. My daughter is shortly to be married and I should like to take advantage of the £5,000 exemption for capital gains tax and release part of the trust funds to her. The trustees of the settlement are willing to release funds for this purpose provided:

- (a) I undertake not to exercise, or purport to exercise the power of appointment in respect of the funds released;
- (b) If they are satisfied that the £5,000 exemption on marriage is applicable to funds comprised in a settlement and not confined to personal monies supplied by a parent. What advice are your views? Must any transfer be registered with the companies concerned, prior to the date of the marriage?

Without the opportunity to see the full terms of the Settlement deed our advice, must, at best, be tentative. A deed of release of your power of appointment (pro tanto) to the extent of the

funds to be advanced would normally be what is required, and that would not bring the protective trusts into operation. We think that the transaction would fall within the marriage consideration to the extent of £1,000 only. The relevant event which must precede or be contemporaneous with the marriage is the execution of the deeds of release and appointment, not the registration of transfers of shares thereunder. You may wish to consider whether a more substantial provision for your daughter might be desirable if you wanted to terminate the settlement altogether. It is thought that a Capital Transfer Tax saving may be achieved by utilising a deliberate forfeiture of your life interest—but you should consult a solicitor about this.

Identification rules

I was troubled by the last paragraph of your reply under the heading Tax and accrued interest (April 24) in which you wrote that since the gilt-edged stock concerned was held over a year, there would be no capital gains tax liability (assuming it was a simple isolated transaction). Could you tell me the significance of the phrase in brackets?

All that we had in mind was that the identification rules in paragraph 6 (1), 7 and 8 of schedule 10 to the Finance Act 1971 can produce results which a reader unskilled in tax law might well not expect. Since the reader whose letter was published on April 24 did not specifically say that there was no other acquisition which could be identified with the disposal on January 30, 1976, we added a mild note of caution in parentheses.

Incidentally, you may have noticed that clause 46 (4) of the Finance Bill (published on Monday Thursday) proposes a modification of the 1971 identification rules for gifts issued under the Aircraft and Shipbuilding Industries Bill, etc.

Tax on stocks abroad

Can a U.K. resident, inheriting foreign securities, and lodging them with an authorised depository, ultimately be able to sell with benefit of the investment currency premium?

Our understanding of the U.K. exchange control regulations is that a U.K. resident inheriting foreign currency securities under a will from a foreign resident would not be able to

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sell with the benefit of the premium at any time. This is an example of the general principle—tightened up in recent changes to the rules—that the benefit of the premium should not be received where it has not been paid in the first place.

Insolvent estate tax

I recently undertook on behalf of his wife to deal with the income tax authorities regarding the affairs of a distant relative who died last May. It seems he owed about £500 in tax, but what is left of his estate only comes to about £200, and the widow subsists on social security. I have received a request to pay within 30 days. What should I do?

The best course is to explain the position to a fairly senior officer at the tax collector's office as soon as conveniently possible. A prompt letter or telephone call will take the immediate heat off. The Revenue have discretion to waive their rights against an insolvent estate with a destitute widow, and you should find that there is a humane response to your approach.

If the tax demand has come from a tax office which is too far away to visit, you should be able to arrange to talk to someone at a local office instead.

Home grants in Scotland

A friend in England told me that recently the rateable value range for the giving of a grant for house alterations has been increased, but my Scottish local authority said they knew nothing about it, or its applications to Scotland. Can you help me, please?

The Scottish Development Department have published a very informative booklet "Improve your Home—Grants Available" and this should assist you in ascertaining whether you would qualify for a grant under the scheme.

The booklet sets separate parts on discretionary grants, standards grants and grants for houses in housing action areas. Since May 1 1975 discretionary grants have not been available for single houses being improved where rateable values exceed £100 on the date of application.

We suggest that you again make enquiries at your Local Authority who should be able to give you full details of all the grants available under the Housing (Scotland) Act 1974.

THE QUESTION—"How many categories of insurance are there?"—may seem something of a catch. And so it is, for my answer is that there are only two, those that provide indemnity and those that provide benefit, although in many modern package policies insurers join up both kinds of cover in one contract.

Insurances written on property, such as offices, factories and homes, and to provide protection against legal liability claims, are all indemnity insurances: subject to the financial limits of each policy the policyholder has to prove the extent of his loss or liability and he can obtain recompense only to that extent.

Insurances on the person—life, personal accident, disability—are not normally indemnity policies because everyone has unlimited insurable interest in his own life and health. Consequently, when the policyholder claims (or after he is dead, his representatives) only the cause of claim has to be proved, not the amount of loss.

Because of this difference it is open to each person to buy for example as much life insurance as he can afford, in as many different insurers as he wishes.

If he buys a £20,000 endowment from each of five life offices, at maturity he can col-

Seeing double

BY JOHN PHILIP

lect £100,000. By contrast the householder who buys insurance on his home can only insure for its full value: if this is say, £20,000 he cannot insure it for £100,000 if it is destroyed, he can only collect £20,000, and subject to their individual policy terms and conditions, the five insurers will each pay a proportion of his claim.

Several rules of insurance law are involved. Because of the principle of indemnity, the policyholder must not make a profit from his loss, and this he would do if he could collect £20,000 from each insurer. But as each insurer has received premium for the risk it would be inequitable to require one to pay the claim and to relieve the other four of liability. So where there are two or more policies of indemnity, covering the same person, the same peril and the same property or liability, as between insurers the legal principle of contribution applies.

Of course, no one in his senses buys two or three policies where one will do, except inadvertently.

But there are quite a number

of occasions where each one of us can be double insured, or where at first sight we may have more than one insurer who should apparently pay, subject to any special conditions to the contrary.

Let us suppose my car is off the road for a day or two's repair, and my neighbour is good enough to lend me his for an important journey. Suppose also we both have standard "comprehensive" motor policies. Ignoring the damage risk, suppose I have an accident causing someone to be injured: under my own policy I am protected against legal liability claims while driving a car which does not belong to me, while under my neighbour's policy I am similarly protected, because I am using his car with his permission.

Unless there are special conditions, and there are almost certain to be, I am doubly insured, and the two insurers concerned should share equally the cost of the injury claim: in fact, because of inter-office agreements, they may well do so notwithstanding special conditions which deny the protection of one policy or the other to any person "entitled to

indemnity under any other policy."

Where there are apparent two insurers involved in a way I think it is best for a policyholder to notify the Insurers to his own insurers and let them to sort out who handles and pay.

I said earlier that some page policies provide both indemnity and benefit. Both "comprehensive" motor and household policies provide examples, cause both normally provide some measure of personal accident cover for the policyholder as well as indemnifying against property damage liability. If I have a "P" policy that pays £5,000, I lose the sight in one eye, I have a claim in my motor policy that provides £2,000 cover for such loss, I can claim £7,500 in total, and there is contribution between insurers each has to pay the proportion benefit.

Where there are two policies with conflicting non contribution clauses, the clauses are practice self cancelling, because otherwise the policyholder would have no cover at all: he has paid premiums on different policies. But as the motor sphere, any policyholder who thinks he has under more than one policy, should notify both or all insurers and ask them to sort out how to sort out his problem.

Europe

UNTIL FAIRLY recently France had never been much of a place for consumerism. An innate conservatism, an ingrained insistence on quality (even if this meant high prices), and strong legislation gave most of the protection required. For a long while the country escaped the worst excesses of the pre-packaged society. To-day all that is changing. Much to its own surprise, France is in the van of the affluent industrial world—a study has just found that in volume terms the Frenchman spends more on consumer goods than his counterpart in any other EEC country.

Every sign is that despite a stubborn rearward action, supermarkets, slick advertising and the hire purchase sirens are getting the better of Gallic scepticism and mistrust.

Happily the consumer is fighting back. The circulation of "Fifty Million Consumers," magazine of the State-backed Institut National de Consommation to-day has a circulation of some 370,000, while another publication *Que Choisir* (What to Choose) claims some 300,000 readers. Every week the Government TV channels put out 12 minutes of advice to the public, and Press and radio alike find coverage of consumer affairs a rewarding proposition.

But, by Anglo Saxon standards there is still a long way to go, and on his trips to Paris, Ralph Nader is greeted with uncomprehending awe as he spreads his gospel. Last January, President Giscard d'Estaing acknowledged as much by appointing France's first-ever State Secretary for Consumer Affairs.

Mme. Christiane Scrivener, a little-known but gifted administrator. After what she calls "four months of listening" and hearing the views of 300 people, she has just launched a broad programme to improve the lot of the consumer in France—a mixture of detailed proposals and policy targets. Next week she will be in London to see how the U.K. does it, as the guest of Mrs. Shirley Williams, who was, she says, the first foreign counter-

part to get in touch after her nomination.

Mme. Scrivener herself was something of a surprise choice. A composed, obviously competent woman in her early 50s, she made her name in one of those obscure but typically important French posts at the frontier of the public and private sectors, organising exchanges between top-level French and foreign engineers and specialists. Her brother, it is true, is a close associate of the Finance Minister Jean-Pierre Fourcade, but not many French-

right into the boardroom where the decisions are made. Mme. Scrivener has opted to build on the existing legislation and plugging the inevitable loopholes. "The French consumer is better protected than anyone on paper," she says. "The problem is putting it into practice."

Of the individual changes the most striking include measures for stiffer treatment of fraudulent advertising, where expenditure would be counted as tax-able profits. Safeguards will be improved for hire purchase customers, notably a seven days

so that customers' complaints can be centralised and the quired advice speedily given. She also intends special visits to commissions throughout the country, representing consumer manufacturer and the authorities, to settle minor complaints outside the ponderous channels of the lawcourts.

Sceptics have already missed the PO box idea, a gimmick, and whether it will depend largely on the MME. Scrivener can win other ministries concerned: Health, Industry, Commerce and Finance, to name but a few. Here she is on delicate ground as a Secretary of State, equivalent of a junior minister in U.K., she has nowhere near "clout" of a senior cabinet member like Mrs. Williams: central issue of prices, moreover, remains outside her jurisdiction.

As intriguing as anything the suggestion that the summer programme is but aspect of a basic shift in attitude of the French government towards industry and retailing. To say that change is on the way out would be ludicrous over-simplification especially after the promises of the past—but it can be no doubt that the spirit of the free market and informed competition are shining brighter in Paris than some while. It is no coincidence that in the last fortnight the air has been thick with of easing price and margin controls on industry and retail respectively. To balance a draft Bill just adopted by cabinet would increase Government control on monopolies, illicit cartels, which traditionally have escaped very light in France.

In the end though most depend on the consumer himself. God helps those who help themselves, and hitherto Frenchman's resignation in a face of official power, a famous lack of *sens critique* prevented any effective grassroots movement developing, the kind so common in the U.K. Until then, whatever the political good intentions of the powers in Paris, the battle was not really have been joined.



Next week Britain's Shirley Williams meets France's "Mme. Consommation," Christiane Scrivener, RUPERT CORNWELL reports.

women are graduates of Harvard Business School and her English is good enough for her to dispense with an interpreter for her London stay.

The measures themselves reflect this kind of background—practical but not revolutionary, aimed at eradicating glaring abuses but preaching above all a greater co-operation between buyer and seller, between shopper and retailer and manufacturer. The whole, described by its author as more "the start of a policy than a completed programme," goes nowhere near as far as proposals issued a week before by the opposition Socialist Party. Presumably interventionist, these would carry public scrutiny

reflection period that will prevent people signing away years of income on a moment's whim. Also a clearer labelling of shelf products and two decrees to tighten controls on cosmetic ingredients.

All this will be underpinned by bigger grants to consumer organisations, and for campaigns to inform the public generally of their rights. In France as elsewhere, even when the man in the street knows his rights, he is frequently unaware of how to claim them. "Madame Consommation," as she has been dubbed is therefore introducing a system of PO boxes in every French Department, each with the same postal code number, all.

Education

Culture gap in class

HAVING MET numerous working-class people well acquainted with English literature, I saw nothing strange in the recent report that a fork-lift truck driver on British Leyland's night shift was absorbed in *Pride and Prejudice*. But I was surprised by the descending glee with which the incident was seized on by certain self-consciously educated commentators. Take for example the following paragraph from the sociologists' "trade journal," *New Society*.

"Assuming that the Janeite on the fork-lift was not a worker, priest, oral historian, or other infiltrator from a world more real than that of the British motor industry, the vignette suggests, first, that the Butler Education Act is working better even now than its framers dared hope, and second, that Cowley car workers have progressed much further towards paradise than their Swedish counterparts. The work teams at Volvo Kalmar operate on the principle of one man one vote—but how many teams will be prepared to vote each other library breaks as well as tea ones?"

Those words reveal an unwitting, overweening pride and prejudice which Jane Austen would have revelled in. Whoever wrote them plainly has a poor understanding not only of the work of that masterly recorder of the snobberies of social elites, but also of the working-class British—who are not to be confused with the "British working class" as typified by the figure who tends to pop up at student demonstrations like a fairy at a pantomime and declaim: "Greetings comrades! I, a worker, bring you salutes from the Fourth International."

Unfortunately, similarly patronising and purblind attitudes are all too common among the people who see themselves as the wise architects of the more just and enlightened society of the future. Which raises the question of how so many much educated folk can have managed

to be so ignorant about the majority of their fellow citizens. This ignorance cannot be genetic. It must have been imposed on them during their upbringing. One possibility is that it was learned from parents. But this cannot be true in all cases. Of the people I have heard express such attitudes, a sizeable proportion also claim that their education has led them utterly to reject their parents' values.

Another possibility is that the ignorance is an unintended pro-

duct of our education system.

And, as it happens, there are respectable theoretical grounds for believing that this may be so.

The theory I cite was developed primarily by the American Professor of Psychology, Joy Guilford. An authority on intelligence testing, he noted that different tests tend to give varied estimates of the same person's intelligence. A complex and large-scale statistical study of test results confirmed his view that there must be considerably more to human intelligence than what is commonly known as IQ, which mainly denotes a mental aptitude for study of an academic kind. This led him to develop a general theory of the structure of the intellect.

In rough terms, the theory is that a single "thinking" consists of at least three different elements—an operation which the mind performs on some type

of information, which results in a form of product. There are, Professor Guilford suggested, five identifiable different kinds of operation. "Cognition"—by which he meant knowing or discovering on the basis of what you know. "Memory." "Divergent production"—by which he meant generating logical possibilities from information. "Convergent production"—generating logical necessities from information. And "evaluation."

The information on which the mind operates also comes in several different forms—as images, as symbols, such as figures, as "semantics" such as words, or as "behaviour" such as a smack in the eye. "Thinking" takes different forms, too. Professor Guilford identified three systems, classes, relations, transformations, and implications. Multiplied up, these factors give the notion that human intellectual activity consists of at least 120 distinguishably different skills. The "very popular conception" that intelligence is the ability to learn in an academic way "has definitely been exploded," the professor claimed. "There are abilities differ in kind and the number is large, almost any child can be 'gifted' in something."

Yet our education system pays no attention at all to many of the skills described by Dr.

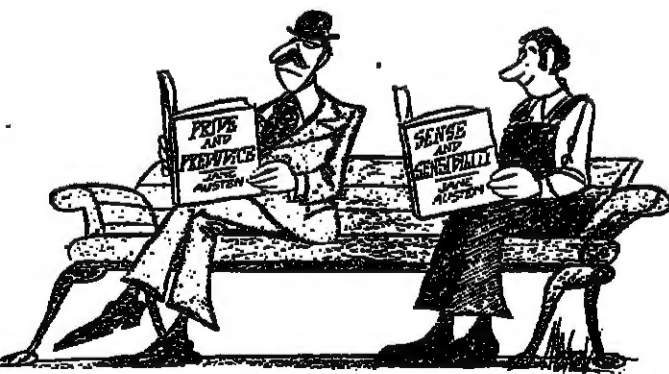
Guilford and, what is worse, it seems to treat others in a distorting way. Among these are the mental activities concerned with information which comes in the form of other people's behaviour.

From the age of five at the latest, people are taken into a system which has an in-built tendency to pick out those with the academic type of mental aptitudes and segregate them so that they progressively lose contact with the rest. The segregation of the academically able tends to persist beyond formal education, with graduates marrying and generally forming their friendships among other graduates. So it is clearly arguable that by the time many highly educated people reach adulthood, the only behaviour with which they are acquainted well enough to interpret it intelligently, is the behaviour of people shaped by a similar academic education which, of course, is firmly based on the middle-class culture. Such a process of sensory deprivation could well result in the kind of social ignorance revealed by people like the *New Society* commentator.

If so, the case for the change to comprehensive education looks to be overwhelming—but with one vital proviso. The change will be of little avail if it merely postpones the age at which the more scholarly minority are picked out for progressive segregation as they pass up the academic escalator into university and thence into "graduate careers."

The need is for far more radical changes to equip the education system with curricula also to develop the greatest possible range of non-academic mental skills and probably to institute a working break between the end of schooling and the beginning of further education. Only then will the system be likely to stop inculcating pride and prejudice at the expense of sense and sensitivity.

MICHAEL DIXON



Coins

A look at the new

TWO EVENTS this year—the American Bicentennial and the Montreal Olympic Games—are having widespread effects on numismatics already and seem certain to dominate the new releases over the next few months. Apart from these topics, which I hope to discuss in greater detail later in the year, the new issue scene seems very quiet at the moment, but this is merely a reflection of the frenetic activity in previous years. There is, in fact, enough for the new-issue collector to be concerned with, especially if he goes beyond the run-of-the-mill issues of general, circulating coinage.

There cannot be many parts of this globe which are not now blessed with their own distinctive coins. The latest new-comer is Tuvalu, carved on New Year's Day from the nine Ellice Islands in the former Gilbert and Ellice group in the South Pacific. A series of 9 coins was introduced on April 26 and, in accordance with what has now become almost standard practice, a set of stamps depicting the new coins was issued on the same date. The coins consist of 7 denominations from the one cent to one dollar in bronze or cupro-nickel, \$5 in silver and \$50 in gold. The obverses bear the Machin profile of the Queen while the reverse motifs depict marine life and local scenery.

The coins have been struck by the Royal Mint.

Inflation being a worldwide malaise, some of the most recent issues reflect the need for higher denominations to meet everyday requirements—though this is a step which tends to be resisted until the last possible moment for political reasons. One wonders when the Treasury will bow the inevitable and authorise the minting of base-metal sovereigns for general circulation. Fiji's decimal currency, introduced in 1969, ranged from 1 to 2 cents. Now, now become almost standard practice, a set of stamps depicting the new coins was issued on the same date. The coins consist of 7 denominations from the one cent to one dollar in bronze or cupro-nickel, \$5 in silver and \$50 in gold. The obverses bear the Machin profile of the Queen while the reverse motifs depict marine life and local scenery.



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and obviously aimed at the world numismatic market, 25 and 50 pisco coins in silver have been released with portraits of Marcos and Emilio Aguinaldo, first president of the Philippines.

For those who collect a country's coins in depth, there are several year sets currently on offer. Japan has recently released sets of five coins ranging from the aluminium one yen to the cupro-nickel 100 yen. A popular series is that produced by the Cayman Islands annually since 1972. This year's set (dated 1975) is available in two proof versions, the 5-coin set from one cent to 5 as in previous years, and a more modest 6-coin set containing the base-metal one to 25c and the sterling silver 50c and \$1. The Caymans have also produced a large \$50 silver piece whose reverse portrays the five English queens regnant from Elizabeth I to Victoria, presumably as a tribute to International Women's year.

New Zealand regularly issues sets of coins with the current date and, since 1965, they have also been available in proof versions. Over the years the numbers of these sets has fluctuated, from a peak of 50,000 in 1967 and 1969 to a tenth of that figure in 1971. The 1971 proof set is currently catalogued at about £70—a handsome increase on the initial offering price of around £6. Since 1971

the number of proof sets has risen slowly and the 1976 set has been struck at the Royal Mint in an edition of 11,000. There is also an edition of 16,000 sets of the ordinary coins in uncirculated condition. The sets are now available from the New Zealand High Commission at £8.80 and £2 respectively.

The Royal Mint has also struck proof sets of British coins with dates from 1972 to 1976 and these are available from the Numismatic Bureau P.O. Box 6, Llantrisant, Pontypool, Mid Glamorgan, at £25 for the five sets. Many of the coins in these sets, such as the 5p and 5p coins of 1972-4, do not exist in ordinary conditions since none was struck for general circulation in those years. Thus the present offer gives collectors the opportunity to maintain the continuity of post-decimal British coins—an example which the Bank of England might do well to emulate, and give collectors a chance to acquire coins—about proof versions—bearing such highly elusive dates 1972-4, of which a mere token 1,000 were put into circulation last year. Tynwald has now authorised the Pobjoy Mint to produce 1976 circulating coins. They include new reverse motifs for the lower denominations, the incorporation of the island's map and the dropping of the word "new" from the expression of value.

JAMES MACKAY

How to spend it

COVENEY

and he speaks, re-
sarcasm, none finer
the scene in the
face of his
desperately to
the play in Act I
the pathetic enu-
mumbly Sherrin
Holmes.

Trigori's an-
Kostantinos in Act 4
once the returned
is in the house who
for him is re-
Sherrin knows pre-
has to do, de-
with his na-
before leaving the
himself.

It is good to have
pennance which has
the dry clean-
predicated as well.
desire.

are
economical and
I find the
size to the
and ironing
satisfactory.
How can
such a cost
offer the kind of choice that is what free
enterprise is all about.

of fireproof co-
cetics, pots and
which were all
designed by Grete
or the Royal Copen-
hagen Porcelain Com-
pany. It is a very
simple undecorated
appearance—it is a
good background to
most foods, is sturdy
enough to be used in
the oven and out, it
is completely non-
porous and therefore
doesn't affect any of
the food.

All the fireproof (as
the collection is called)
items, except the lids,
may be put directly
on any surface—gas
rings, electric hot-
plates and radiant
boiling plates. The
selection of shapes is
good, ranging from
small pots to big cas-
seroles, from small ob-
long dishes to large ob-
long dishes suitable for
baking bread or meat
loaves.

The dishes may go
straight from freezer

CONNOR

dark, ready to
use. The dishes
are made of a
material which is
completely non-
porous and there-
fore doesn't affect
any of the food.

All the fireproof (as
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The dishes may go
straight from freezer

**It's a pram, it's a carry cot,
it's a pushchair**

THE success story of the folding severance and the belief that
Baby Buggy is one of those right products at the right
time that reinforces one's faith price will always get the success
in British inventiveness, per- it deserves.

The Baby Buggy was developed
by Owen McLaren, a former test
pilot and aeronautical engineer,
after he noticed how mothers
struggled about with heavy push-
chairs when shopping or trying
to use buses. So he designed and
virtually built by hand the first
Baby Buggy. Since then it has
sold in its millions all over the
world, including Britain, where
over half the pushchairs sold are
Baby Buggies.

They have just this week
launched its successor and
recognisable relation—the three-
in-one Pram Buggy.

For about £29.50 the three-
in-one Pram Buggy provides a
"pram" (not a conventional one
but the function is performed), a
carry cot and a pushchair so that
the three items will see a baby
through several of its needs
from birth to about four years.
If the three items were bought
separately it could cost £80 or
more.

The Pram Buggy is based on
a strengthened version of the
Baby Buggy frame and is made
from non-rust and non-chip alu-
minium tubing. It is relatively
light, weighing only about 14 lbs.

As you can see from the photo-
graphs a carry-cot structure rests
securely on the frame to form
the pram. It can be removed
from the transporter by releas-
ing two simple catches which
prevent the buggy closing whilst
in use.

When the pram version needs
to be converted into a pushchair
(not before the baby is about
six months old) the carry-cot can
be removed and the striped
fabric clipped into place.

The Pram Buggy has BSI
approval and is going into good
pram shops and department
stores throughout the country.

mark

Two names that are famous
all over Britain have this week
launched their own new contri-
butions to the home scene. Marks
and Spencer have for some time
been expanding their range of
merchandise for the home—bed-
spreads, sheets, towels, rugs and
curtains have all been brought
under their wing in recent years.
Sometimes I have thought what
they offered was marvellous but
in the domestic, as opposed to
the fashion, front, I have more
often than not thought the level
of taste, of colourings, was de-
plorable. Crude designs in crude
colours has been my general
verdict.

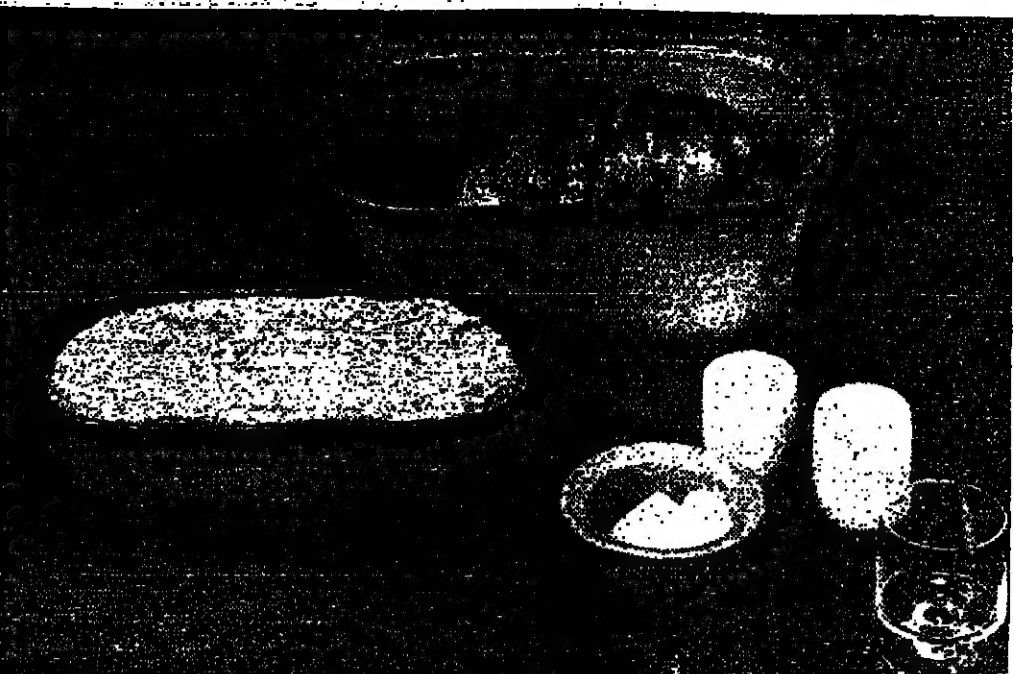
However, this week I came
upon some new designs which
have been added to the Marks
and Spencer domestic range,
which showed a more sensitive
awareness to changing tastes.
Nobody pretends that the
designs are either original or
absolutely authentic—they are
openly acknowledged as adapta-
tions of designs from the Vic-

AT 7/6

Basel 16-21.6.1976

THE INTERNATIONAL ART FAIR.

Swiss Industries Fair Basel, from 10 a.m. to 8 p.m.,
admission Sfr 2.-, after 5 p.m. Sfr 5.-



LAST WEEK I showed some new tableware
from Rosenzweig and, by coincidence, this
week I came upon two more collections
of tableware which seem to me to be worth
factoring. Each is different from the other
but both are of the kind of choice that is what free
enterprise is all about.

Above is a disarmingly simple collection
of fireproof co-
cetics, pots and
which were all
designed by Grete
or the Royal Copen-
hagen Porcelain Com-
pany. It is a very
simple undecorated
appearance—it is a
good background to
most foods, is sturdy
enough to be used in
the oven and out, it
is completely non-
porous and therefore
doesn't affect any of
the food.

All the fireproof (as
the collection is called)
items, except the lids,
may be put directly
on any surface—gas
rings, electric hot-
plates and radiant
boiling plates. The
selection of shapes is
good, ranging from
small pots to big cas-
seroles, from small ob-
long dishes to large ob-
long dishes suitable for
baking bread or meat
loaves.

The dishes may go
straight from freezer



deliciously coloured flowers adorn the pieces.
Some items have daisies, some tulips,
some butterflies, some roses and all the
covered pieces have lids which are finished with
a mould of a little anemone leaf.

It is almost impossible to describe the
richness and variety of the patterns and I
would urge anybody who thinks it of interest
to go along to Harrods and Harrocy Nichols
of Knightsbridge who are stocking it and
look for themselves. However, do ring up
before you go as stocks are selling almost as
they come in.

The porcelain itself is of an exceedingly
high quality with that whiter than white
translucence that is only found in the very
best of its kind.

Prices, to give you some idea, are about £10
for a 10-inch dinner plate, about £7 for an
8-inch salad plate, about £6 for a 7-inch ten-
plate, about £4 for a 6-inch ten-plate, about £3
for a 5-inch ten-plate.

As so much care, so many different skills
have gone into this collection it is, naturally,
not cheap and potential buyers should think
of it almost as a collector's item. Write to:
Rosenzweig Stock Ltd, Denby Tableware,
Charles Inn, London, E.C.1, for stockists.



The Vegmobil

IN the days of the sugar crisis toes at one end which is designed
much fun was to be had over the need for safes to keep it in.
Whether Jokes of a similar nature are anybody will actually be able to
beginning to sprout over pota- afford to store the 10 lbs of
toes. However, jokes apart, the potatoes the hopper is said to
Vegmobil seems to me a good hold, is another matter but
way of storing vegetables where should one be able to it is
space is limited. obviously important that the
As you can see from the draw- oldest potatoes should emerge to
ing it is a plastic-coated wire be used first.

It is certainly a very practical
method of storing potatoes in
kitchens, thus lacks storage
space and isn't backed up by the
units. It measures 1 foot 11
inches high, 1 foot 4 inches long
and is only 5 inches wide. To
give it a topical note it has a
potato hopper for storing pota- also send it by mail for £1.08.

AUGUSTUS BARNETT

GUS HAS GONE MAD!

SILLY SUNNY SUMMER PRICES

TO BEAT THE DROUGHT-BUY NOW

BEFORE IT ALL GOES

MARTINI \$1.19	CINZANO \$1.19	MARTINI \$1.22	CINZANO \$1.19	NOILLY \$1.19	MARTINI \$1.15	DUBONNET \$1.29	DUBONNET \$1.29
CARONNEL \$1.15	VALDEPINO \$1.15	SPANISH \$1.19	WISDOM \$1.29	CONZALE \$1.35	CONZALE \$1.35	CHOULE \$1.39	CELEBRATION \$1.39
SOUTHERN \$1.39	CAMPARI \$1.39	PIMM'S \$1.39	MOT & \$1.25	ALFREDO \$1.19	MOSEL \$1.19	VEVE \$1.39	BARNETT \$1.19
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Antiques

FINANCIAL TIMES REPORT

Market on the road to recovery

BY MICHAEL THOMPSON-NOEL

A YEAR ago the antiques market was still trying to throw off the queasiness that had afflicted it ever since the art market's tribulations of late-1974. Business was sticky. Order books were thin. Stocks were building up and prices in most sectors were as soft as margarine.

To-day, much of that has changed and a lot of the market's re-found buoyancy should be in evidence at the Fine Art and Antiques Fair and Festival at Olympia, which Lord Droghda opens to-day, and at the Grosvenor House Antiques Fair, which Lord Goodman opens next Wednesday.

Mr. Roger Bluet, a London dealer specialising in Oriental art, who is chairman of the Grosvenor House Fair committee, says: "There has been a definite improvement generally in response to easier world economic trends. There are more buyers about — the majority of them from abroad — and turnover has improved considerably. It is the weakness of the pound that has attracted most buyers to London, where they find that prices are very attractive. This is not to say that many dealers aren't still holding a number of objects bought at very high prices at the height of the boom, but in the main the market is a lot healthier than it was 12 months ago."

Mr. George Levy, president of the British Antique Dealers' Association and a man with his finger on the market's pulse, stresses the misfortune of sterling in the market's steady improvement since last June. "The plight of the pound £75.1m., while Christie's fell has certainly stimulated foreign buying, but in the U.K. there is still inherent fears about the sort of fiscal measures the Government might take. This Christie's have been racking up

The Grosvenor House Antiques Fair at Grosvenor House, Park Lane, begins on Wednesday. It will be open to the public from 5 p.m. to 7.30 p.m. on June 9 and thereafter from June 10 to June 19, except next Sunday, from 11 a.m. to 7.30 p.m. with a late-night closing of 10 p.m. on June 16 only. The Fine Art and Antiques Fair and Festival at the National Hall, Olympia, opens this afternoon and runs until next Saturday—12 noon to 8 p.m. daily except next Saturday, when it will be open from noon to 6 p.m.

means that in one sense the market has dried up; there is not a great deal of selling going on. Uncertainty about money has encouraged many people to hold on to their possessions. On the other hand, it means that when objects of reasonable quality are offered for sale, they fetch strong prices. It's a mixed situation."

Strength

The most visible indicator of the market's new-found strength since last summer is the series of high sales prices seen daily in the big London auction rooms.

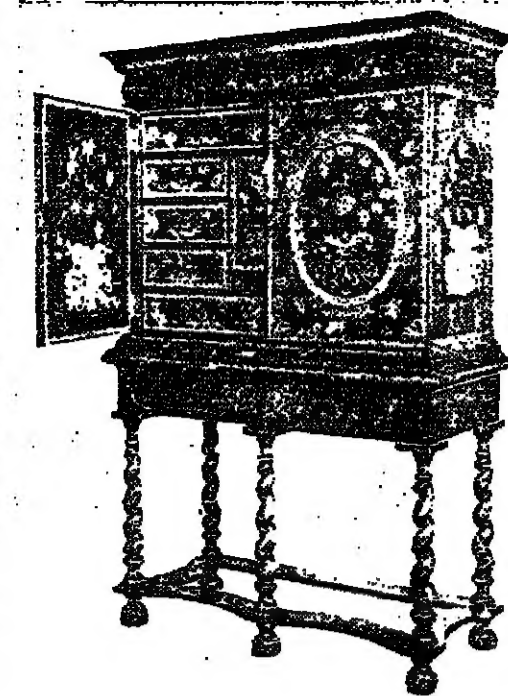
Sotheby's, Christie's and Phillips. In the sales season to last August, Sotheby's international sales volume dipped 16.3 per cent. to £75.1m., while Christie's fell has certainly stimulated foreign buying, but in the U.K. there is still inherent fears about the sort of fiscal measures the Government might take. This Christie's have been racking up

some impressive sales figures, both at home and abroad, and seem headed for a turnover gain of about 25 per cent. each. Phillips is doing even better, and by the middle of the summer should be able to report a turnover improvement of around 35 per cent.

The reason why Phillips is outpacing the big two is that its calculated gamble of early last autumn has paid some handsome dividends. At the start of the sales season, Sotheby's and Christie's re-juggled their commission rates to help combat savagely higher costs and dwindling profits. They trimmed their selling fee to 10 per cent. but at the same time brought in a 10 per cent. buyer's fee, which infuriated the dealer network.

Phillips, on the other hand, went its own way. It too, rationalised its selling fee to a straight 10 per cent., but it did not impose a charge on buyers. The move has paid off vividly. Phillips is now attracting business that would otherwise have gone to the big two; the dealers are grateful; the firm has been able to improve the scholarship and layout of its catalogues; it has been obliged to extend its storage capacity and it has increased the range of its sales.

There were certainly plenty of dealers and market-watchers in Phillips' Bloomsbury Street saleroom on May 25, when a sale of clocks and furniture totalling £76,600, with only 3 per cent. of lots unsold. The top price was £3,600 for a George II walnut bracket clock by Samuel Whichcote. All told, 70 clocks accounted for £43,400, including £3,400 for a whole range of early and late-English, Greek and Roman coins.



Left: a William and Mary walnut cabinet on stand, to be sold at Bonham's in London next week. Pre-sale estimate £2,500-£3,500. Right: to be shown at Grosvenor House is a fine ebonyised bracket clock with hour strike and calendar by Thomas Tompion (c. 1655).



the coin market stood up extremely well to the market's sickness 18 months ago. Even so, Sotheby's coin department was cock-a-whoop when a two-day sale of coins from the Westminster School collection totalling £156,310. The top price was £8,700 (plus £870 buyer's premium) paid by the London dealer T. D. Puttock for a Queen Victoria pattern gold £5 of 1839, but equally cheering sums were paid for a whole range of early and late-English, Greek and Roman coins.

Sparkle

Jewels (Christie's, May 12): even more than coins, jewels continued to sparkle throughout the 1974-75 slump, and are now changing hands at ever-higher prices. This sale totalled £265,872—at least 25 per cent. more than forecast—and produced a top price of £40,000

(plus £4,000 buyer's premium) for a pair of diamond earrings set with stones of 11.09 and 10.25 carats. The week before, at Sotheby's in Zurich, a Saudi Arabian jeweller had paid a world record price of £902,678 for a pink diamond of 24.44 carats. Musical Instruments (Sotheby's, May 6): this has been another sector strumming a pretty tune this spring. This sale brought in £171,723, including £22,000 paid privately for a violin by Joannes Baptista Guadagnini, made in Parma in 1761, and £14,000 for a Stradivari. This particular violin was the work of Antonio's son, Ombono, who with his brother Francesco worked in his father's studio. Stamps (Robson Lowe, Bournemouth, May 6): the English and Old Master prints, stamp market, apparently, can do no wrong. This sale totalled £63,654. The most interesting item was a dolly-mixture of

stamps from all over crammed into seven cardboard boxes which weighed 180 lbs. The auctioneer expected it to fetch £400. It made £1,450. The week before, a Robson Lowe sale in Geneva that had been expected to total around £350,000 earned £430,000. "The market is phenomenal at the moment," said the company. "Bidders are leaving their pencils in the air until they get what they want." On the same day, in Johannesburg, Stanley Gibbons sold a rare unused example of Canada's 1851 12d black for a record £27,380. Coins, jewels, musical instruments and stamps are merely four of the sectors that are forging ahead. Similar price spurts have been seen in recent weeks in Chinese ceramics, Bournemouth, May 6): the English and Old Master prints, stamp market, apparently, can do no wrong. This sale totalled £63,654. The most interesting item was a dolly-mixture of Continental paintings.

An outstanding event of the London Season

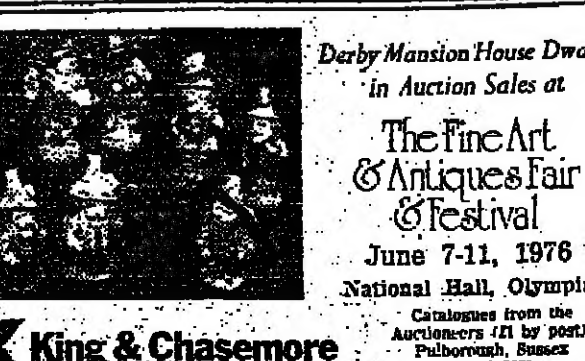


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Derby Mansion House Dwarfs in Auction Sales at The Fine Art & Antiques Fair & Festival June 7-11, 1976 National Hall, Olympia. Catalogues from the Auctioneers (11 by post), Fulbourn, Cambs. (020 82 2851)

Bargains still to be found

BY ANTONY THORNCROFT

EVERY YEAR there are new antiques for collectors and investors, not only the items which reach the regulatory 100 years of age to qualify for the description but also those items which suddenly become "unofficial" antiques because they are collected and because antique dealers stock them.

Among the goods that have suddenly become worth buying, if they strike the imagination, are five marks. Fire marks are the metal plaques fitted to the wall of a house from the 18th century onwards to show that it was insured. Over 200 companies issued them and collectors are already prepared to pay £500 for rare varieties. The record known price is the £540 paid at Phillips in January for an early 19th-century lead mark of the Suffolk and General Country Amicable Insurance Office, but examples can still be bought for £20.

There is also considerable interest these days in 20th century ephemera—comic cigarette cards, "French" postcards, advertising posters, etc. Unfortunately the publicity surrounding these items has meant that the actual value of the goods is over-estimated. For example, what should have been a very desirable collection of comic, first editions of 291 titles ranging from the Magnet to the Hotspur, was bought in at a Sotheby's sale when the bidding stopped at a modest £350. In the same auction 388 Gems made £170 and 593 early issues of the Eagle £100. So comic cards are worth collecting, but only if they come cheaply.

Clowns

Cigarette cards are another matter. Prices in excess of £2,000 have been paid for the very rare set of 20 cards showing clowns issued by the London firm of Taddy around 1896. But the mass of cigarette cards are virtually worthless, with just a few rarities commanding prices of up to £80 a card from fanatics.

The same goes for gramophone records. A very fine collection, amassed by that great jazz fanatic Lord Donegal and consisting of 2,000 records, only sold for £1,562 recently, making a low 75p a disc. On the other hand there is a better market for more substantial objects—an early phonograph was recently sold for £2,100, a record price. On the same day a typewriter went for £180, also a record. Other "instant" antiques which are attracting attention are banknotes, or paper currency. Three billion mark

notes issued during the great German inflation of the early 1920s sold this year for £1,500, and great rarities like the notes issued by the Germans in the Ukraine during the War and by Mussolini, with ill conceived foresight, in readiness for his occupation of Egypt and the Sudan, are priced even higher. But attractive, more conventional, notes, like the issues of the English and Scottish banks of the 18th and 19th century, are obtainable for £30 or less and look a bargain.

Stanley Gibbons, which is big in paper money, also expects much from maps. At the last Grosvenor House Antiques Fair a complete world atlas of coloured maps by Blaeu, the Dutchman whose mid-17th century maps are the Rembrandts of the market, was on offer at £22,500. It would cost more now. But early 19th century county maps can be bought for £10 or less, and fine original maps, coloured at or near the time of publication, have proved a good investment in recent years. From maps it is little distance to books, which have been one of the strongest antique markets of the past year. The strength is at all levels, from the £16,500 paid in March for a first edition of Shakespeare's Poems to £10 for a Graham Greene first edition. One area, in particular, is gaining in attention, and that is the manuscript and personal letters of the famous. A rather bad love story by Napoleon might go for £18,000 later this month at Sotheby's, and a few weeks ago some letters by Browning sold for £5,800. For the less affluent, items from contemporary figures can be acquired cheaply—a vast collection of Dennis Wheatley typescripts and proofs were a good buy at £520.

Inflation

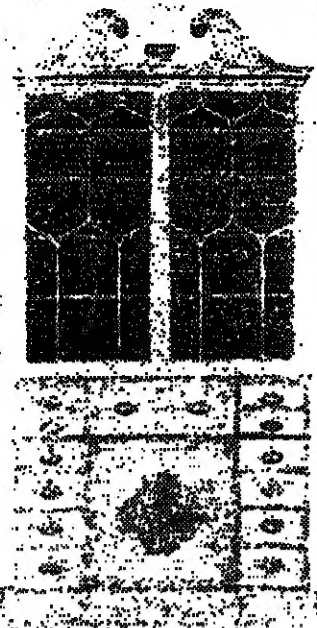
It is a good idea to investigate the "newer" antique markets. The effect of inflation and a depreciating currency has been to persuade the holders of fine antiques to hold on to their valuables rather than take cash for them. The boom in antiques in recent years has also meant that really good objects are not so common now and when they do appear on the market they are usually snapped up by dealers. The "cheapness" of British antiques has also led to frequent raids on the U.K. by foreign buyers who can often afford to outbid the natives.

The new sectors, photographs and photographic equipment, militaria, postal history as a supplement to stamp collecting, antiquities, as well as the areas mentioned above, still offer scope for the small collector, but the same rules apply here as in the classic antiques—only buy the best and the rarest, like what you buy, and know your subject, or alternatively take the most expert advice.

It is unlikely that any of the fresh fields will ever approach the foothills of the Old Masters and Impressionists, furniture, silver, oriental art and porcelain, but they could prove very worthwhile for collectors. Also with items selling for less than £1,000 there is no immediate Capital Gains Tax problem. There is the added advantage that dealers are not always

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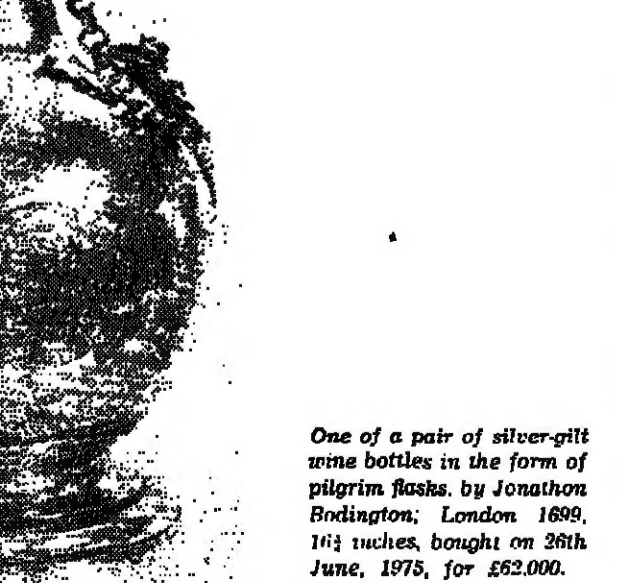
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OVERSEAS NEWS

Palestinians defy Syrian armed forces in Lebanon

Japanese defence policy outlined

BY IHSAN HIZ

BEIRUT, June 4

TENSION rose in the Lebanon today as the Palestinian guerrillas claimed that they and their Syrian allies had defied a Syrian ultimatum to abandon their positions on the mountain road from the Bekaa valley to Beirut.

The Palestinian Liberation Organisation's news agency Wafa, said that the ultimatum expired at midnight, but by this afternoon no clashes had been reported. From the Syrian side there was no confirmation that the Army had issued such terms.

Mr. Elias Sarsis, the Lebanese President-elect, has held contacts with two Syrian officers who have

in control of the Lebanese
territory now under the control
of the intervening Syrian forces.
But the Left and the Palestin-
ianians have charged that the
new Army is to be used as the
"spearhead" for Syrian troops
when they move to occupy ad-
ditional Lebanese territory.
The original Lebanese army
forces had broken up, split into
between the Left-wing Moslem
alliance and the Christian
militias, while a small part re-
mained loyal to the Command-
er-in-Chief, Major-General Hani
Said.

The Lebanese troops which

TOKYO, June 4

JAPAN will continue to rely on protection by American nuclear weapons rather than develop its own deterrent despite instability caused by military tension in Northeast Asia, according to a Government White Paper on defense.

The document, approved by the Cabinet today, says that tension in the area gives it one of the highest risks to peace in the world. It also concludes that efforts by the U.S. and the Soviet Union to reach

been blating all along with the various Lebanese factions. The officers, Col. Ali al Madani and Col. Mohammed al Khouli, were reported to have given an assurance that the Syrian force had no intention of advancing out Beirut for the time being.

Nevertheless, it is anxious to gain control of the hill-top overlooking the Bekaa valley and located on the main Beirut-Damascus highway, where the Palestinians and their Left-wing allies are entrenched, according

The Syrians appear to have succeeded in getting two prominent leaders of the "Lebanese Arab Army" to leave him. They are Major Ahmed al Mimari, the commander of Khathib's forces in north Lebanon, and Major Ibrahim Chahin, the commander in the Bekaa valley.

The White Paper is the first on defence since 1976 and gives a broad outline of Japan's defence capability, which it describes as a "basic standing force." It stated: "Its primary goal is not so much to deal with a specific imminent threat (but) as a basic posture streamlined as a whole with no gross deficiency and well balanced as far as its integrative elements are concerned."

to informed sources here. The Syrians are believed also to want to advance along the mountain side to put an end to the fighting that had been going on and of there between leftist and rightist forces since early April.

In a confused situation Mr. Abdel Salam Jalloud, the Lebanese Premier, was expected to visit Damascus and Beirut again soon in another attempt to mediate in the conflict between Syria and the Lebanese Left. His efforts last month to end the conflict failed. The Syrian intervention in Lebanon is now an accomplished fact, and all Mr. Jalloud can hope for is to prevent clashes between the two sides. News of Mr. Jalloud's forthcoming trip came after a brief visit to Tripoli, the capital of Libya, yesterday by Mr. Yassir Arafat, Chairman of the PLO's State Liberation Organisation.

Meanwhile, a decision by the Right-wing Maronite leadership to close down the port of Jounieh, 12 miles north of here, and the main outlet to it, sealed

Lebanese Air Force base at Rayak in the Bekaa. Major Fahim al Hajji, has also joined the Syrian-sponsored force. Having established themselves at Rayak, the Syrians have reactivated the Lebanese Air Force which had been completely grounded since January.

To show that the air force was back in action, two Lebanese Hawker Hunters yesterday accompanied the two Soviet MiGs of the Syrian Air Force which buzzed Beirut.

Most of the Lebanese Air Force's 22 jet fighters were sent to Syria for protection when the armed forces were split. Some of them have now returned and are stationed at Rayak. The Air Force was composed of 10 Hawker Hunters and 10 French-made Mirages.

The size of the "Vanguard" of the Lebanese Army is uncertain, but Lebanese army officers and soldiers who have stayed neutral during the crisis have been urged by the Syrians to join.

"Northeast Asia is the area where the vital strategic interests of the U.S., the Soviet Union and China converge. It is one of the areas where a number of bilateral security systems function effectively more or less.

"In sharp contrast to the European environment, the area is laced with confrontations and rivalries making it one of the most unstable regions in the world. A large scale armed conflict, however, is not expected in the near future because of the deterrent effect of the U.S. and the Soviet Union and China," it said.

But the paper adds the Sino-Soviet confrontation, the arms build-up in the area—particularly of the Soviet Far East fleet—and the confrontation between North and South Korea are "major" Northeast Asia "one of the biggest threat areas in the world in terms of military tension." Reuter.

Peter Duminy adds: The White Paper bears the stamp of Miichiyo Sakata, the incumbent civilian director general of the Self-Defence Agency (defence minister), whose declared mission has been the promotion of military "cooperation" in the arena of rational public debate.

Increase

THE RATE of new-car sales in May in the U.S. rose 26 per cent. from the depressed year-earlier period. AP-JD reports from Detroit, however, say the sales rose only 10 per cent. as sales of domestic-made models unexpectedly fell below auto analysts' predictions.

Total sales of domestic and foreign models in May were 920,227 cars, compared with 740,268 in May 1973. In the month, Detroit car manufacturers sold 705,227 cars, up 37 per cent. from

More overseas news

Page 18

407,739 units sold in May 1975 when the industry was still struggling out of its worst—also slump in years

Despite the sizeable year-to-year percentage increase in domestic sales, car manufacturers were \$3,000 to \$5,000 cars shy of the totals that various industry sales experts had been projecting.

Azevedo wavers

Prime Minister Jose Pinheiro de Azevedo of Portugal was quoted yesterday as saying he might withdraw from the June 27 Presidential election. Reuter reports from Lisbon, The Government news agency quoted him as saying it could be a miracle if he could

David Lanceshkov adds: Delivery of the reactor would conform with the joint energy programme adopted by Comecon last year, which gives nuclear energy a central role throughout the grouping.

The Russians have an off-shelf reactor, the Voronezh 400-MW, which is currently being supplied to the whole of Europe from Comecon, and it seems likely that this will also be supplied to Cuba.

Development of nuclear power on the island would also reduce the need for Soviet oil, since oil which is transported at great cost across the Atlantic from the Black Sea terminal Further, moreover, the Soviet oil surplus for export will shrink in the next five years, when more of the nuclear programme was adopted.

forecast up

ZURICH, June 4.

this year by 4.5 per cent., about Sw.Fr.15b1bn., or between 1.5 and 2 per cent. in real terms, compared with an earlier estimate of growth rate of only 1 per cent.

Although the working party says that economic recovery is taking place at an "extremely modest" rate, and is not general, it feels that exports could be

To do that, the document needs to be a multi-purpose affair. One objective is to make Japanese defence policy comprehensible to the outside world. Another is to allay some of the possibly conflicting needs to allay anxiety about Japan's military capability and American criticism that Japan has not made a big enough contribution to security in East Asia.

Another main objective is to establish a Japanese consensus on defence. That has been lacking since 1945, with the opposition parties consistently taking the line that all defence expenditure is unconstitutional. In the last few years, however, the attitude has become increasingly formal, but nobody has yet been able to breach it and forge a bi-partisan defence policy.

The White Paper claims that 73 per cent of voters now see the need for a defence establishment, up from 73 per cent in 1972 and probably a minority 25 years ago. Mr Sakata makes no secret of hoping that this will lead to a national consensus.

The third aim is to give shape and purpose to the armed forces, which they apparently have not acquired behind the veil of secrecy which has surrounded them since 1945. To become, by the paper's notion,

through the campaign "without any kind of support."

German VAT

The West German Upper House of Parliament (Bundsrat) yesterday defeated a Government proposal to raise Value Added Tax from 11 to 15 per cent. from January 1, 1977.

Reuter reports from Bonn.

Canada's limit

Canada will extend its fisheries jurisdiction to 200 miles from 12 miles. External Affairs Minister Mr. Allen MacEachen told the House of Commons in Ottawa. Reuter reports. Legislation is to be introduced later this year and will take effect by January 1, 1977, he said.

Californi

BY JUREK MARTIN, U.S. EDITOR

CALIFORNIA's two favourite sons, Jerry Brown and Ronald Reagan, are heavily favoured to win next Tuesday's Democratic and Republican primaries here, according to the best local public opinion poll.

The Field survey gives Mr. Brown 51 per cent. to 20 per cent. for Mr. Jimmy Carter and 9 per cent. for Senator Frank Graves. This is a lead eight points greater than Mr. Brown had in the last poll a month ago but a point less than he enjoyed a month before that.

Mr. Reagan's margin over President Ford is up to 56 to 32 per cent. Four weeks ago it was just ten points (49 to 39) and before that Mr. Ford was given a five-point lead.

Everybody has assumed that Mr. Brown would win the Democratic race here in the State of which he is Governor. The principal interest had centred on Mr. Carter's totals, with his name here saying that if they can get 25 to 30 per cent. of the popular vote and therefore the proportion of the State's

Bank rate by 1%

VIENNA, June 4.

The Finance Minister also revealed that as from July 1, interest rates on commercial credits will go down by 1 per cent. and on sight deposits from 0.75 per cent. to 0.25 per cent. However, the controversial 5 per cent. basic rate on savings accounts will probably be reduced by half a per cent. only, from January next year. This is clearly a concession to the trade unions which vigorously opposed an immediate or early reduction of the savings rate.

Is Brown,

committed delegates, then he would probably come out into the open and bid himself for the support of uncommitted delegates throughout the country. He added that he thought Mr. Carter had lost much of his zip.

ation from the U.S. embassy in that Mr. Ronald Reagan planned to see the U.S. Ambassador, as his agent, Paul Bettis writes. A spokesman at the ambassador had only just issued a newspaper. "Mrs. Armstrong has been at she has been sent by President which she finds challenging

Mr. Carter and Mr. Brown have been passively rude to each other campaigning in California this week. Mr. Brown has described Mr. Carter as a consumer's fraud, offering a cure-all "snake oil approach" to Governmental problems. The former Governor of Georgia has suggested that Mr. Brown's Presidential aspirations do not stand up to critical analysis, unless it be of the Zen variety.

the world's 10th largest military establishment.

IMPASSE AT ALCAN PLANTS

By Robert Gibbens
MONTREAL, June 4

PICKETS kept up their vigil outside Alcan Aluminum's 500,000-ton capacity Quebec smelters to-day, blocking staff from entry as a protest against slow progress in wage contract talks and company efforts to achieve a phased shutdown of the polluters.

Reagan

SAN FRANCISCO, June 4

Senator Church has been hampered by this bid for as much as 20 per cent. of the vote by illness, and has been forced to cancel several engagements.

In other findings, the Field poll suggests that the highly controversial Proposition 13, which would place stringent controls on nuclear power development in California, will go down to a big defeat. The survey gives the opposition a 54 to 27 per cent. edge, with the balance undecided.

It also suggests that Senator John Tunney, the incumbent who has a much tougher time than expected in the State Democratic primary against Tom Hayden, the former celebrated peace activist and husband of Miss Jane Fonda, the actress. Mr. Tunney is given a 50 to 37 per cent. lead, but two months ago he was ahead by nearly four to one. The two will debate with each other on television tomorrow night in Los Angeles, an event which has been keenly awaited in the light of the popular belief that Mr. Hayden is rapidly closing the door on

Mechanics of exchange rates

LOT OF BANKERS in the world would be inclined to agree that the "Chancellor" of the pound has been too far. None of them, however, wants to be the first to say so. The general feeling is that the pound is too high. The general feeling is that the pound is too high. The general feeling is that the pound is too high.

In touch

One factor which may also have increased the problems of handling the market is its increasing international character. It is possible to deal in currencies virtually round the clock. This means that to keep in touch with the market the U.K. Authorities have to watch not only what is going on in London, but also what is going on in New York, and the Far East. And the Far East, though smaller, can have a significant influence on the pound when London starts business in the morning.

The world-wide nature of the market is made possible by the fact that it is essentially conducted on the telephone. The dealing room in a bank consists of a number of positions at which dealers sit in a large operation, they will specialise in certain currencies—with telephone links to other major banks and TV displays giving access to rates being quoted by various currencies by different banks. These cover both the spot market—the immediate exchange of one currency and another—and the forward market, which provides the opportunity to buy and sell currencies for delivery at some time in the future.

Customer's orders and the bank's own transactions are carried out at high speed and by word of mouth, with each bank determining the prices at which it will deal in different currencies according to its own position. At any time there can be differences among banks in the rates they will deal at, and figures for sterling, for example, which may be quoted during the course of the day can vary. But the speed of the market's communications and reflexes is such that substantial differentials cannot exist for long and the level of sterling or any other currency emerges from the balance of supply and demand during the course of the day.

The complexity of the market has increased. One of the interesting features of the recent developments, though, has been the relative absence of speculation. The banks and the agencies (whether of Zurich or London) which have been common in the past. A few complaints have been heard, but there does appear to have been a more general realisation that much of the activity on the exchange market reflects genuine commercial transactions. If the pound is under pressure, it is because people do not want to hold it and not chiefly because people are selling it short.

It is not difficult to rationalise the fundamental doubts about the U.K. economy which have helped to create the uncertainty over sterling.

Spare funds

In terms of the daily movements in sterling, however, the motivations are probably simpler. And in the eyes of the important group of long-term sterling holders—foreign governments, especially the oil-producing countries—must be the losses they have already experienced on the money they hold in London.

Over a considerable period the trend towards diversification out of sterling by foreign official holders has been a continuing influence on the market. This is an inheritance from London's traditional role as the centre of the sterling area and the place where a large number of foreign governments have chosen to hold their official reserves. The sterling area more or less ceased to have real significance after the pound was floated in June 1972. By the end of 1974, when the Government finally dropped the guarantee arrangements first set up in 1968 which had protected these holders against falls in the value of sterling, some of the traditional holdings had already gone. And by now other members of the sterling balance club—such as Australia and Hong Kong—have largely cut their dependence on sterling.

In 1974, however, the sterling balances in London were being augmented by a substantial inflow from the newly-rich oil-producing countries, with no immediate long-term investment outlet for their spare funds. Several of these such as Nigeria and Kuwait had long-established connections with London. The result was, the Bank of England estimated, that in 1974 some \$600m—around £300m at the time—of oil surplus funds was invested in sterling. But the effective depreciation of sterling during that period, ranging between 17 and 21.4 per cent, recently it has widened to levels over 41 per cent.

This loss of value has not surprisingly discouraged some of the more loyal holders of sterling. The news that Nigeria, one of the major holders, had been running down the sterling balances was one factor contributing to the weakness of the pound in March. And other major oil producers have greatly reduced the amount of their sterling holdings. Saudi Arabia and Kuwait now take no sterling, and overall the proportion of oil revenues paid in sterling has dropped sharply. Last year there was a small drop in total sterling balances after a jump of £1.56bn. in 1974.

The second major factor in recent markets has been the purely commercial "leads and lags" situation. This phrase is used to describe various ways in which organisations, mainly companies, involved with foreign currencies in the normal course of their business, may attempt to protect themselves against expected movements in the relative value of different currencies.

When the pound is falling there is a clear temptation for an international organisation to delay as far as possible receipt of money due to it in foreign currency, and where possible to bring forward purchases of currency to spend abroad. Similarly, a foreign company acquiring pounds has an incentive to exchange them as early as possible.

The evidence seems to be that at present, U.K. companies are not taking any very exceptional action in these areas. Nevertheless, the volume involved when many individual organisations are following this pattern can be large. It is thought that the drop in sterling earlier in the year, particularly in March, owed a good deal to the moves in leads and lags, and in recent markets the indications have been that much of the selling has originated from trading requirements.

The market itself is mainly made up of the big banks. There are over 250 banks in London authorised for foreign exchange activities, of which perhaps 60

or so are active in a substantial way. Foreign exchange business for them can be a major source of profit if they are skillful enough to take advantage of the short-term movements in rates. The evidence is that perhaps as much as 80 to 90 per cent. of the turnover in the banks is business carried out among the banking community, with only a small proportion actually based on commercial requirements of their customers.

In a limited sense, therefore, the banks can be said to be speculating in that they make a market in currencies and take risks on their own positions. But their activities are regarded as an essential element in creating a market in currencies, which without market-makers in some ways the equivalent of jobbers in the stock exchange—could hardly function. The banks in London are big dealers because of the City's international position, which brings orders to them from all over the world.

They are subject to strict official restrictions on their operations. They are subject to limits which have to be met at the close of business each day, designed to do no more than allow a bank reasonable scope but to prevent any major continuing exposure of the kind which brought heavy losses to banks such as Herstatt.

In this way the Bank of England keeps close tabs on the activities of the market. But its most important source of information as well as of direct participation in the market lies in its own dealings. The Bank has a dealing room like any commercial bank, with lines out both to foreign exchange brokers and to the more active banks. Through this it has the opportunity to keep in touch

with most of the developments in the market. It can, for example, often anticipate a single large selling order on a given day and take action to counter the pressure, by buying sterling itself in anticipation.

last March, however, it may suit the Bank to let be known that it is in the market. Its intervention, moreover, need not be confined to London; the Bank can and does operate on the Continent and in New York, and is actively concerned to keep an eye on movements in other centres when London is shut.

Reconciled

The Bank's knowledge of the markets and of official policy puts it in a strong position to influence the market's behaviour in the short-term and to assess the strength and significance of any movements in the rate. The recent assessment appears to have been that, in spite of the underlying arguments in favour of an improvement in sterling, the lack of confidence has been such as to make it not worth while pouring large amounts of the reserves into trying to stem the tide. It may be hoped that in time the basic economic situation will bring, at some level of sterling, a renewed commercial demand for the pound which will enable the market to settle down at a new rate.

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LABOUR NEWS

Vauxhall men must wait for pay deal

BY OUR LABOUR CORRESPONDENT

AUXHALL "MOTORS" 21,000 August 1 will almost certainly have to wait at least until August for their annual pay settlements which would normally be concluded by the end of May.

This is because they have for greater representation on the negotiating bodies will be made next week.

Under a three-stage agreement signed at the end of 1974, the long-term deal gave them increases of between 10.50 and 11.1 per cent, of which 11.1 per cent has been paid since the limit was introduced last August.

The latest payments of between 10.50 and 11.1 per cent were made in January and included 10.50 per cent, of living threshold in the agreement.

Since then union officials have been in touch with the Department of Employment to find out what their annual deal, due at the end of April, would have been. Now, however, they cannot have any further increases within the life of the deal.

At the same time, the Ford Motor's 55,000 manual workers, who had a similar long-term deal, will stand to gain a 10 per cent, jump in the 1976-77 deal, which was not part of their agreement until October.

Any of these cost-cutting measures would have to be approved by the Government at a level "even more remote from a customer" than the present Post Office Board.

At present, argues the Society, a level of decision making in the Post Office is too high and the Office accounts, making it impossible to use them as a yardstick to the specialist staff of the organisation's agreement with that of other enterprising businesses and "slow to prices.

Car registrations up 18% last month

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

A FURTHER ROUND of encouraging figures was published yesterday showing May registrations at 120,592, up 18 per cent, on the same month last year, and sales over the first five months ahead by 8.2 per cent.

Coming shortly after the buoyant production figures from the Department of Industry, they indicate a substantial turn-around on last year. But a worrying feature for the Government is that much of the advantage of the improved trading-conditions is going to imports.

Over the first five months, import penetration has gone up from 32.8 per cent, last year to 34.8 per cent, a figure which represents a substantial increase in actual cars given the overall market improvement.

The big question now is whether the slide of the pound on foreign exchange markets, which has been forcing up import prices, will help the British industry.

Last month the importers' share did slip slightly, from 35.1 per cent, in April to 34.7 per cent, and it was particularly noticeable that Volkswagen, which has been hard hit by the recent strength of the Deutschmark, saw its share drop to 2.75 per cent.

Some of the improvement in the position of imports is inevitably due to the way in which multinationals operating in Britain—Ford, Vauxhall and Chrysler—have been using their Continental plants as a source for the British market.

A substantial impact is now being made by Chrysler's

PROVISIONAL MAY REGISTRATIONS		
Make	Units	%
Ford	32,727	27.1
British Leyland	31,787	26.4
Vauxhall	10,788	8.9
Chrysler	8,175	6.7
Renault	5,667	4.6
Datsun	5,386	4.4
Fiat	3,811	3.1
VW/Audi	3,320	2.7
TOTAL	120,592	100.0

French-made cars (2,455 units last month), and Vauxhall's Cavalier (3,070). For the first time, Ford also published full details of imports yesterday, showing that it imported 1,887 cars last month, making a total of 4,084 this year.

Future imports from the multinationals may fluctuate widely, since there are possibilities of transferring production from the Continent to the U.K., but as these companies are progressively integrating their European plants, such imports will clearly remain a significant factor in the U.K. market.

Meanwhile, Ford continued last month to maintain its market leadership in the U.K. for the sixth time in the last eight months. Though, with sales of 32,937, it only managed to out-sell British Leyland (31,787) with the help of its Continental vehicles.

Among the importers Renault (5,667) is in 48 per cent, took over leadership from Datsun (5,386-4.4 per cent.) for the first time this year, reflecting difficulties the Japanese company has had in supplies of its best-selling medium-range Sunny model.

Economic Diary

PRIME MINISTER in Bournemouth on Monday to address conference of General and Municipal Workers' Union.

Other events and statistics next week include:

MONDAY—House of Commons resumes after the Whitman recess. CBI employment policy committee meets. Investment intentions of the manufacturing distributive and service industries for 1976-77.

TUESDAY—House of Lords resumes after the Whitman recess. Conservative Party national conference on Direct Labour, 20, Council meeting, Glasgow. Lord

Duchess Mews, W.I. Institute of Directors annual meeting. Report by the Building and Civil Engineering Economic Development Committee on Scottish construction into the early 1980's. Hire purchase and other instalment credit business (Apr.). Retail trade (Apr.-May). Construction output (1st qtr.). U.K. balance of payments (1st qtr.). Sir Campbell Adamson, CBI director general, attending Scotland 20, Council meeting, Glasgow. Lord

Watkinson, CBI president, speaks at South West Region annual lunch.

WEDNESDAY—Lords debates economic situation. House of Commons Select Committee hears evidence on public expenditure on Chrysler (UK) London clearing banks' monthly statement and loans (May). U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-May). Central Government financial transactions (including borrowing requirement) (May).

THURSDAY—Public sector borrowing requirement (1st qtr.). ECU Trade and Industry publication will include company liquidity survey (1st qtr.). Building Societies' receipts and loans (May). Usable steel production (May).

FRIDAY—DOL Trade and Industry publication will include company liquidity survey (1st qtr.). Building Societies' receipts and loans (May). Usable steel production (May).

SATURDAY—Special private meeting of EEC Foreign Ministers, Luxembourg. Special Assembly of Liberal Party.

Division of PO's functions opposed by civil servants

BY ALAN PIKE, LABOUR STAFF

CONCRETE proof has not been produced that dividing the postal and telecommunications functions of the Post Office would benefit either the customer or the country, the Society of Civil Public Servants said in a letter to the Carter review committee on the Post Office yesterday.

The Society stresses that its position is not one of opposition to the separation of the Post Office into two separate bodies. But it describes the idea of a split as "superficial and simplistic" and says that, even if it took place, there would be no real change in the functions of the civil servants who would remain. It would have to be under the Government at a level "even more remote from a customer" than the present Post Office Board.

At present, argues the Society, a level of decision making in the Post Office is too high and the Office accounts, making it impossible to use them as a yardstick to the specialist staff of the organisation's agreement with that of other enterprising businesses and "slow to prices.

Kissinger to meet Vorster in Bonn

BY JOHN STEWART

THE SOUTH AFRICAN Foreign Ministry confirmed here today that Mr. John Vorster, the Prime Minister, will hold discussions with Dr. Henry Kissinger, the U.S. Secretary of State, in Bonn on June 23 and 24. This follows reports from Washington that Mr. B. Botha, South African Ambassador, had met Dr. Kissinger yesterday.

The news has been warmly received and the general response is that it not only represents a major diplomatic coup, but also acknowledges that a renewed peace initiative in Rhodesia cannot succeed without South African participation.

At the same time, political observers hope that a Vorster-Kissinger meeting would mark the opening of a new conciliatory phase in U.S.-South African relations, which have been distant, if not cool, for nearly two decades.

Observers are particularly hopeful that the keen interest shown by the U.S. in South African developments might at some stage lead to direct involvement by Britain and the U.S. in new attempts at a negotiated settlement in Rhodesia.

Whether he will succeed is another matter. With all the British statements since Lord Greenhill's visit to Rhodesia when the U.S. State Department has associated itself, the outcome seems predictable.

MILAN

20-26 June 1976

INTERNATIONAL PLASTICS AND RUBBER EXHIBITION

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Fear for 1,000 print jobs

BY OUR LABOUR STAFF

MORE THAN 1,000 women failed to settle the three-day-old strike at the William Collins dispute.

The 220 strikers, members of the Society of Graphical and Allied Trades, are objecting to a week because of an "unofficial" strike by bookbinders.

Talks between minor officials of the company says are necessary management, yesterday because of reduced demand.

Minster Assets turns in £5.44m: pays more

Results due next week

are due from Charterhouse Group on Tuesday, Westland Aircraft on Wednesday and Thomas W. Ward on Friday. Quarterly figures are expected from Phoenix Assurance on Wednesday.

[illegible]

UNIT TRUSTS.

Midland Drayton

Intl. offer

Edward, Johns	121,844	39,676
Buffalo	376,412	431,000
United	730,914	577,000
including 550,000 shares	profits	£29,181

Manufacturing in Britain must
 have some concern for the longer
 term. Intensive research to
 raise the effect on the group's
 business is being made.
 The generator set business has
 been improving its position
 encouraging but of ship own-
 and ship operating activities but
 was little likelihood that
 improvement in the market
 going to affect the year's rise
 from that source.

...and the business has from that source.

...and the *Journal of the American Medical Association* (JAMA) has been the most influential journal in the field of medicine for over a century.

The Financial Times Saturday June 5 1976

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'NEW HIGHS AND LOWS FOR 1976' and 'NEW HIGHS (19)'.

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European Ferries
Thomson Organisation
Anchor Chemical
Mothercare
Royal Sovereign
Gross Cash Registers
Rush & Tompkins

act quick with send
actor's Ledger for 1976

ESTORS
FILE

BUILDING SOCIETY RATES

	Deposit	Share	Sub'n	Term
Abbey National	6.25%	6.50%	6.75%	6.00%
Alliance	6.25%	6.50%	6.75%	6.00%
Anglia	6.25%	6.50%	6.75%	6.00%
Birmingham Incorporated	6.25%	6.50%	6.75%	6.00%
Bradford and Bingley	6.25%	6.50%	6.75%	6.00%
Bristol and West	6.25%	6.50%	6.75%	6.00%
Bristol Economic	6.25%	6.50%	6.75%	6.00%
Britannia	6.25%	6.50%	6.75%	6.00%
Burnley	6.25%	6.50%	6.75%	6.00%
Carlisle	6.25%	6.50%	6.75%	6.00%
Cheltenham and Gloucester	6.25%	6.50%	6.75%	6.00%
Citizens Regency	6.25%	6.50%	6.75%	6.00%
City of London	6.25%	6.50%	6.75%	6.00%
City and Metropolitan	6.25%	6.50%	6.75%	6.00%
Coventry Economic	6.25%	6.50%	6.75%	6.00%
Derbyshire	6.25%	6.50%	6.75%	6.00%
Gateway	6.25%	6.50%	6.75%	6.00%
Greenwich	6.25%	6.50%	6.75%	6.00%
Guardian	6.25%	6.50%	6.75%	6.00%
Hallifax	6.25%	6.50%	6.75%	6.00%
Hastings and Thanet	6.25%	6.50%	6.75%	6.00%
Hearts of Oak & Enfield	6.25%	6.50%	6.75%	6.00%
Hendon	6.25%	6.50%	6.75%	6.00%
Leamington Spa	6.25%	6.50%	6.75%	6.00%
Leeds and Holbeck	6.25%	6.50%	6.75%	6.00%
Leeds Permanent	6.25%	6.50%	6.75%	6.00%
Leicester	6.25%	6.50%	6.75%	6.00%
Liverpool	6.25%	6.50%	6.75%	6.00%
Magnet & Planet	6.25%	6.50%	6.75%	6.00%
Mornington Permanent	6.25%	6.50%	6.75%	6.00%
National Counties	6.25%	6.50%	6.75%	6.00%
Newcastle Permanent	6.25%	6.50%	6.75%	6.00%
North London	6.25%	6.50%	6.75%	6.00%
Northern Rock	6.25%	6.50%	6.75%	6.00%
Norwich	6.25%	6.50%	6.75%	6.00%
Paisley	6.25%	6.50%	6.75%	6.00%
Property Owners	6.25%	6.50%	6.75%	6.00%
Provincial	6.25%	6.50%	6.75%	6.00%
Skipton	6.25%	6.50%	6.75%	6.00%
Sussex Mutual	6.25%	6.50%	6.75%	6.00%
Town and Country	6.25%	6.50%	6.75%	6.00%
Woolwich Equitable	6.25%	6.50%	6.75%	6.00%

* Minimum £2,000 6 mths. notice. * 12 mths. 3 yrs. 4 yrs. 5 yrs. 6 yrs. 7 yrs. 8 yrs. 9 yrs. 10 yrs. 11 yrs. 12 yrs. 13 yrs. 14 yrs. 15 yrs. 16 yrs. 17 yrs. 18 yrs. 19 yrs. 20 yrs. 21 yrs. 22 yrs. 23 yrs. 24 yrs. 25 yrs. 26 yrs. 27 yrs. 28 yrs. 29 yrs. 30 yrs. 31 yrs. 32 yrs. 33 yrs. 34 yrs. 35 yrs. 36 yrs. 37 yrs. 38 yrs. 39 yrs. 40 yrs. 41 yrs. 42 yrs. 43 yrs. 44 yrs. 45 yrs. 46 yrs. 47 yrs. 48 yrs. 49 yrs. 50 yrs. 51 yrs. 52 yrs. 53 yrs. 54 yrs. 55 yrs. 56 yrs. 57 yrs. 58 yrs. 59 yrs. 60 yrs. 61 yrs. 62 yrs. 63 yrs. 64 yrs. 65 yrs. 66 yrs. 67 yrs. 68 yrs. 69 yrs. 70 yrs. 71 yrs. 72 yrs. 73 yrs. 74 yrs. 75 yrs. 76 yrs. 77 yrs. 78 yrs. 79 yrs. 80 yrs. 81 yrs. 82 yrs. 83 yrs. 84 yrs. 85 yrs. 86 yrs. 87 yrs. 88 yrs. 89 yrs. 90 yrs. 91 yrs. 92 yrs. 93 yrs. 94 yrs. 95 yrs. 96 yrs. 97 yrs. 98 yrs. 99 yrs. 100 yrs.

LOCAL AUTHORITY BOND TABLE

Authority	Annual gross	Interest	Minimum	Life of
Barking (01-592 4500)	12	1-year	1,000	3-5
Barnesley (0226 3323)	12	1-year	5,000	3-7
Barnsley (0226 3323)	12	1-year	5,000	3-7
Barnsley (0226 3323)	12	1-year	5,000	3-7
Barnsley (0226 3323)	12	1-year	5,000	3-7
Barnsley (0226 3323)	12	1-year	5,000	3-7
Barnsley (0226 3323)	12	1-year	5,000	3-7
Barnsley (0226 3323)	12	1-year	5,000	3-7
Barnsley (0226 3323)	12	1-year	5,000	3-7
Barnsley (0226 3323)	12	1-year	5,000	3-7

U.K. CONVERTIBLE STOCKS 4/6/76

Name and description	Size	Current	Conversion
Alcan Aluminium 10pc Cr. 89-94	12.00	60.00	100.00
Associated Paper 91pc Cr. 89-94	10.25	114.75	33.7
Bank of Ireland 10pc Cr. 91-96	8.8	8.2	18.4
BPB 71pc Cr. 89-94	4.89	81.50	62.0
English Property 61pc Cr. 89-94	13.81	93.00	100.0
Grand Metropolitan 10pc Cr. 91-96	128.99	77.00	100.0
Hamson Trust 61pc Cr. 89-94	4.51	85.00	100.0
Haydon-Stuart 71pc Cr. 89-94	0.72	130.00	100.0
Lyons, J. 71pc Cr. 1981	3.80	71.00	22.7
Slough Estates 10pc Cr. 87-90	5.50	121.00	100.0
Tezer, Kemsley 8pc Cr. 1891	7.33	88.50	123.8
Wilkinson Match 10pc Cr. 89-96	11.10	51.75	40.0

1987

TRUSTS—Continued

fee of £25 per annum for each security

